

Hobbies

Britannia debut sparks interest, but not among dealers

By Roger Boye

Yet another gold piece—the British Britannia—has made its debut in a crowded U. S. marketplace.

The 22-karat “bullion coin” will compete with the popular U.S. American Eagle and Canadian Maple Leaf, as well as gold money from other countries.

“All our U.S distributors are reporting a considerable amount of interest in the Britannia,” said Michael Sedgwick, a spokesman for the British Royal Mint. “Some may reorder soon.”

The uncirculated Britannia—just as the Eagle and Maple Leaf—is available in four sizes containing from one troy ounce to one-tenth troy ounce of gold. The coin depicts a helmeted woman carrying a trident and shield, the allegorical symbol of Great Britain.

Meanwhile, some local dealers say that they can't afford to stock all types of gold pieces because of the many new issues.

“Bullion coins tie up a lot of money and I make very little on a sale,” said Mitchell Cole of North Shore Coins in Evanston.

Retail dealers like Cole sell one-ounce bullion coins for the value of the gold on the trade day plus a commission that usually ranges from about 6 to 8 percent of the gold value. On a \$500 bullion transaction, the local coin shop might make \$10; the wholesalers and distributor also get a cut, while most of the money on the sale of a new bullion coin goes to the government mint that produced the item.

(A dealer's gross profit on “rare-date coins” often ranges from 30 to 50 percent of the sales price, although the amount

varies greatly with the coin type and condition.)

Five other Cook County dealers contacted in early December said they don't plan to stock the Britannia, but three of them added they could supply the coin on request.

“We're sticking with the best sellers—the Maple Leaf and Eagle. The others just don't do well,” said a Chicago dealer.

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The gold and silver American Eagles celebrated their first birthday this fall by displaying sales numbers that far surpassed initial

estimates.

Uncle Sam marketed 2.7 million troy ounces of gold Eagles in the first year, topping original government forecasts by 23 percent. Sales of uncirculated silver Eagles totaled nearly 14 million troy ounces, more than three times early projections for the first 12 months.

Experts say the gold Eagle and Maple Leaf each could capture from 30 to 50 percent of the worldwide bullion-coin market in 1987. The uncirculated Australian Nugget might rank a distant third in sales.